

SBSI Brown Bag

Wednesday, November 6, 2019

12:00pm - 1:15pm

Solomon B50

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“I was Going to Offer \$10,000 but...” The Effects of Phantom Anchors in Negotiation

ABSTRACT: Negotiators commonly attach phantom anchors—retracted and aggressive figures—to their actual and less aggressive offers. For example, a seller might say, “I was going to ask for \$10,000, but I can offer \$8,000.” Drawing from research on anchoring, we predict that offer-makers will economically benefit from offers with phantom anchors. Drawing from research on interpersonal perceptions, we test competing hypotheses indicating that phantom anchors might elicit perceptions of manipulateness or benevolence, with economic implications. Finally, we explore situational conditions that could moderate these perceptions. Five studies show that negotiators using offers with (versus without) phantom anchors receive less aggressive counteroffers and more beneficial agreements in both distributive and integrative negotiations, but also seem more manipulative. Situations portraying the phantom anchor-actual offer combination as a true concession, however, dampen manipulateness perceptions. Overall, the results suggest that phantom anchors represent a powerful yet risky and understudied value-claiming strategy in negotiations.

The presentation will begin at 12:00pm. Food and drinks will be provided.

